

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



May 1, 1997

ALL COUNTY LETTER NO. 97-30

TO: ALL COUNTY WELFARE DIRECTORS

REASON FOR THIS TRANSMITTAL

- ☐ State Law Change
- ☐ Federal Law or Regulation Change
- ☒ Court Order
- ☐ Clarification Requested by One or More Counties
- ☐ Initiated by CDSS

SUBJECT: IMPLEMENTATION OF THE ORTEGA v. ANDERSON DECISION IN THE AID TO FAMILIES WITH DEPENDENT CHILDREN (AFDC) PROGRAM

REFERENCE: Manual of Policies and Procedures (MPP) Section 44-113.14

The purpose of this letter is to provide you with the attached emergency draft regulations which will be effective July 1, 1997. These regulatory amendments implement the Ortega v. Anderson court order which provides for a deduction from the aided parent's income to meet any unmet needs of his/her ineligible alien spouse.

OVERVIEW

On July 11, 1995, the Superior Court (Alameda County) issued a decision in the Ortega v. Anderson case. The court directed the California Department of Social Services (CDSS) to conform its policies to the holding of the California Supreme Court in Darces. The new policy requires that the needs of an undocumented live-in spouse must be considered when determining cash aid benefits. This decision was stayed during the CDSS's appeal. However, on December 11, 1996, the State's request for review by the California Supreme Court was denied.

IMPLEMENTATION

Effective July 1, 1997, counties shall begin allowing the unmet needs of an ineligible alien spouse using the same needs differential computation as is done for ineligible alien children pursuant to MPP Section 44-113.14. Ongoing cases in retrospective budgeting shall have the July payment reflect the income and unmet needs from the May budget month. MPP Section 44-113.14 has been amended and reformatted for clarity.

Because the Ortega order became final in December 1996, AFDC cases that have income and an ineligible alien spouse living in the home need to be evaluated. Therefore, at redetermination or upon request of the assistance unit, the county should review the case for eligibility and possible underpayment. The period of eligibility shall go back no further than December 1, 1996. Any underpayment issued as a result of the provisions of the Ortega order shall be considered a corrective underpayment. These are exempt from consideration as income and from consideration as property in the month received and the following month. Additionally, the underpayment is subject to balancing against any outstanding overpayment.

FORMS AND NOTICES

Affected forms and notices of action (NOA) are currently being reviewed and amended to conform with the provisions of the Ortega court order. They will be available prior to the July 1, 1997 effective date and will be mailed under separate cover. Counties will be notified when the translated forms and NOAs in Spanish, Chinese, Cambodian and Vietnamese are available for order through the Language Services Bureau.

If you have any questions please contact Jane Laciste of the AFDC Policy Implementation Bureau at (916) 654-1047. Calnet prefix is 464.

Sincerely,

A handwritten signature in black ink, appearing to read "Bruce Wagstaff". The signature is fluid and cursive, with the first name "Bruce" written in a larger, more prominent script than the last name "Wagstaff".

BRUCE WAGSTAFF
Deputy Director
Welfare Programs Division

Attachment

Amend Section 44-113.14 to read:

44-113 NET INCOME (Continued)

44-113

.14 ~~Deduction for an Ineligible Alien Child(ren) Living in the Home of an Aided Parent~~
Deduction for the Unmet Needs of Ineligible Aliens Living In The Home

.141 (a) ~~When an ineligible alien child(ren) is living with an eligible sibling or half-sibling, a deduction shall be allowed from his/her aided parent's income. A deduction from the aided parent's income shall be allowed for the following ineligible aliens, referred to herein as the Ineligible Alien Unit (IAU), who, but for their alien status, would have been included in the AU:~~

(1) Spouse of the aided parent; or

(2) Sibling or half-sibling of the aided child(ren).

(b) The deduction, referred to herein as the IAU deduction, to meet the unmet needs of an ineligible alien child(ren) shall be equal to the difference between a the Minimum Basic Standard of Adequate Care (MBSAC) for the assistance unit with the ineligible alien child(ren) IAU included, and the MBSAC for the assistance unit only.

(c) The maximum IAU deduction shall be reduced by the amount of net nonexempt income, if any, of the ineligible alien child(ren) up to the differential amount attributed to that child(ren) with income of the IAU.

(1) When determining the net nonexempt income of the IAU, the following deductions apply:

(A) The work expense disregard, for earned income only.

(B) Any amount actually paid by the IAU member to persons not living in the home but who are, or could be, claimed by him/her as dependents for purposes of determining his/her federal personal income tax liability.

(C) Any court-ordered child support or alimony payments made by the IAU member to persons not living in the home.

(2) When using IAU income to reduce the IAU deduction, the financial obligation of the IAU member with income must be determined and calculated accordingly.

DRAFT

(A) When an IAU member has income and has an obligation to support a person(s) living in the home who is:

unaided, and
not included in the IAU, and
not excluded from the AU due to sanction,

(i) A portion of that IAU member's income must be allocated to meet the needs of that person(s) prior to subtracting that IAU member's income from the IAU deduction.

(ii) The amount of the allocation shall be equal to the difference between the MBSAC amount for the IAU member with income plus all unaided persons living in the home that the IAU member is obligated to support and the MBSAC amount for the IAU member with income plus the other IAU members he/she is obligated to support.

HANDBOOK BEGINS HERE

(iii) Region I Nonexempt AU consists of father and one child. Aided father has \$500 net nonexempt income. IAU contains mother and one child in common with the aided father. Also living in the home is a separate child of the ineligible alien mother. Ineligible alien mother has \$300 net nonexempt income.

The county must determine the amount of income of the ineligible alien mother that must be allocated to meet the needs of her separate child.

\$ 735 MBSAC for 3 (Ineligible alien mother, ineligible alien child and separate child)

- 592 MBSAC for 2 (Ineligible alien mother and ineligible alien child)

\$ 143 Amount of unmet need of the ineligible alien mother's separate child

\$ 300 Ineligible alien mother's net nonexempt income

- 143 Unmet need of the separate child

\$ 157 Amount of income available to meet the needs of the ineligible alien mother and other IAU members she is obligated to support. See Section below.

HANDBOOK ENDS HERE

DRAFT

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



May 1, 1997

ALL COUNTY LETTER NO. 97-30

TO: ALL COUNTY WELFARE DIRECTORS

REASON FOR THIS TRANSMITTAL

- ☐ State Law Change
- ☐ Federal Law or Regulation Change
- ☒ Court Order
- ☐ Clarification Requested by One or More Counties
- ☐ Initiated by CDSS

SUBJECT: IMPLEMENTATION OF THE ORTEGA v. ANDERSON DECISION IN THE AID TO FAMILIES WITH DEPENDENT CHILDREN (AFDC) PROGRAM

REFERENCE: Manual of Policies and Procedures (MPP) Section 44-113.14

The purpose of this letter is to provide you with the attached emergency draft regulations which will be effective July 1, 1997. These regulatory amendments implement the Ortega v. Anderson court order which provides for a deduction from the aided parent's income to meet any unmet needs of his/her ineligible alien spouse.

OVERVIEW

On July 11, 1995, the Superior Court (Alameda County) issued a decision in the Ortega v. Anderson case. The court directed the California Department of Social Services (CDSS) to conform its policies to the holding of the California Supreme Court in Darces. The new policy requires that the needs of an undocumented live-in spouse must be considered when determining cash aid benefits. This decision was stayed during the CDSS's appeal. However, on December 11, 1996, the State's request for review by the California Supreme Court was denied.

IMPLEMENTATION

Effective July 1, 1997, counties shall begin allowing the unmet needs of an ineligible alien spouse using the same needs differential computation as is done for ineligible alien children pursuant to MPP Section 44-113.14. Ongoing cases in retrospective budgeting shall have the July payment reflect the income and unmet needs from the May budget month. MPP Section 44-113.14 has been amended and reformatted for clarity.

Because the Ortega order became final in December 1996, AFDC cases that have income and an ineligible alien spouse living in the home need to be evaluated. Therefore, at redetermination or upon request of the assistance unit, the county should review the case for eligibility and possible underpayment. The period of eligibility shall go back no further than December 1, 1996. Any underpayment issued as a result of the provisions of the Ortega order shall be considered a corrective underpayment. These are exempt from consideration as income and from consideration as property in the month received and the following month. Additionally, the underpayment is subject to balancing against any outstanding overpayment.

FORMS AND NOTICES

Affected forms and notices of action (NOA) are currently being reviewed and amended to conform with the provisions of the Ortega court order. They will be available prior to the July 1, 1997 effective date and will be mailed under separate cover. Counties will be notified when the translated forms and NOAs in Spanish, Chinese, Cambodian and Vietnamese are available for order through the Language Services Bureau.

If you have any questions please contact Jane Laciste of the AFDC Policy Implementation Bureau at (916) 654-1047. Calnet prefix is 464.

Sincerely,

A handwritten signature in black ink, appearing to read "Bruce Wagstaff". The signature is fluid and cursive, with the first name "Bruce" and last name "Wagstaff" clearly distinguishable.

BRUCE WAGSTAFF
Deputy Director
Welfare Programs Division

Attachment

Amend Section 44-113.14 to read:

44-113 NET INCOME (Continued)

44-113

.14 ~~Deduction for an Ineligible Alien Child(ren) Living in the Home of an Aided Parent~~
Deduction for the Unmet Needs of Ineligible Aliens Living In The Home

.141 (a) ~~When an ineligible alien child(ren) is living with an eligible sibling or half-sibling, a deduction shall be allowed from his/her aided parent's income.~~
A deduction from the aided parent's income shall be allowed for the following ineligible aliens, referred to herein as the Ineligible Alien Unit (IAU), who, but for their alien status, would have been included in the AU:

(1) Spouse of the aided parent; or

(2) Sibling or half-sibling of the aided child(ren).

(b) The deduction, referred to herein as the IAU deduction, to meet the unmet needs of an ineligible alien child(ren) shall be equal to the difference between a the Minimum Basic Standard of Adequate Care (MBSAC) for the assistance unit with the ineligible alien child(ren) IAU included, and the MBSAC for the assistance unit only.

(c) The maximum IAU deduction shall be reduced by the amount of net nonexempt income, if any, of the ineligible alien child(ren) up to the differential amount attributed to that child(ren) with income of the IAU.

(1) When determining the net nonexempt income of the IAU, the following deductions apply:

(A) The work expense disregard, for earned income only.

(B) Any amount actually paid by the IAU member to persons not living in the home but who are, or could be, claimed by him/her as dependents for purposes of determining his/her federal personal income tax liability.

(C) Any court-ordered child support or alimony payments made by the IAU member to persons not living in the home.

(2) When using IAU income to reduce the IAU deduction, the financial obligation of the IAU member with income must be determined and calculated accordingly.

DRAFT

(A) When an IAU member has income and has an obligation to support a person(s) living in the home who is:

unaided, and
not included in the IAU, and
not excluded from the AU due to sanction,

(i) A portion of that IAU member's income must be allocated to meet the needs of that person(s) prior to subtracting that IAU member's income from the IAU deduction.

(ii) The amount of the allocation shall be equal to the difference between the MBSAC amount for the IAU member with income plus all unaided persons living in the home that the IAU member is obligated to support and the MBSAC amount for the IAU member with income plus the other IAU members he/she is obligated to support.

HANDBOOK BEGINS HERE

(iii) Region 1 Nonexempt AU consists of father and one child. Aided father has \$500 net nonexempt income. IAU contains mother and one child in common with the aided father. Also living in the home is a separate child of the ineligible alien mother. Ineligible alien mother has \$300 net nonexempt income.

The county must determine the amount of income of the ineligible alien mother that must be allocated to meet the needs of her separate child.

\$ 735 MBSAC for 3 (Ineligible alien mother, ineligible alien child and separate child)

- 592 MBSAC for 2 (Ineligible alien mother and ineligible alien child)

\$ 143 Amount of unmet need of the ineligible alien mother's separate child

\$ 300 Ineligible alien mother's net nonexempt income

- 143 Unmet need of the separate child

\$ 157 Amount of income available to meet the needs of the ineligible alien mother and other IAU members she is obligated to support. See Section below.

HANDBOOK ENDS HERE

DRAFT

(2) The county shall determine the amount of income used to reduce the IAU deduction in the following manner and may need to repeat the process when more than one IAU member has income.

(A) Using the total IAU deduction from Section 44-113.141(b) above, determine each IAU member's pro rata share by dividing the IAU deduction by the number of IAU members.

(B) Compare the amount of net nonexempt income to the pro rata share attributed to the IAU member with income plus the pro rata share of the IAU members he/she is obligated to support.

(C) When the amount of net nonexempt income of the IAU member exceeds the above pro rata share, the county shall recompute the IAU deduction excluding the IAU member with income and all other IAU members he/she is obligated to support. The recomputed IAU deduction shall be the unmet need amount for the IAU.

(D) When the amount of net nonexempt income does not exceed the above pro rata share, the entire amount of net nonexempt income shall be used to reduce the IAU deduction. The reduced IAU deduction shall be the unmet need for the IAU.

HANDBOOK BEGINS HERE

(E) Region 1 Nonexempt AU consists of father and one child. Aided father has \$500 net nonexempt income. Ineligible Alien Unit (IAU) contains mother and one child in common with the aided father. Also living in the home is a separate child of the ineligible alien mother. Ineligible alien mother has \$300 net nonexempt income.

\$ 735 MBSAC for 3 (Ineligible alien mother, ineligible alien child and separate child)

- 592 MBSAC for 2 (Ineligible alien mother and ineligible alien child)

\$ 143 Amount of unmet need of the ineligible alien mother's separate child

\$ 300 Ineligible alien mother's net nonexempt income

- 143 Unmet need of the separate child

\$ 157 Amount of income available to meet the needs of the ineligible alien mother and other IAU members she is obligated to support. See Section below.

DRAFT

\$ 872 MBSAC for 4 (AU plus IAU)
- 592 MBSAC for 2 (AU only)
\$ 280 IAU Deduction

In this case, the IAU member with income (mother) is obligated to support the entire IAU (mother and her child). Therefore, all available net nonexempt income is used to reduce the IAU deduction.

\$ 280 IAU Deduction
- 157 Mother's net nonexempt income after allocation for unmet need of her separate child
\$ 123 Unmet need of the IAU

\$ 500 Net Nonexempt income of the aided father
- 123 Unmet need of the IAU
\$ 377 AU's net countable income

(F) Region 1 Nonexempt AU consists of mother and two children. Aided mother has \$650 net nonexempt income. IAU contains the spouse (stepfather) and a third child of the aided mother. The ineligible alien child has \$100 net nonexempt income.

\$ 994 MBSAC for 5 (AU plus IAU)
- 735 MBSAC for 3 (AU only)
\$ 259 IAU Deduction

In this case, the IAU member with income (child) is not obligated to support anyone else in the IAU (stepfather and child). Therefore, the net nonexempt income shall be used to reduce only that portion of the IAU deduction attributed to the child (The child's pro rata share.)

$2/\$259 = \129.50 pro rata share to each IAU member.

Child's income of \$100 is less than \$129.50 (pro rata share). This means that the entire amount of net nonexempt income is used to reduce the IAU deduction.

\$ 259 IAU Deduction
- 100 IAU's income
\$ 159 Unmet need of IAU

\$ 650 AU's net nonexempt income
- 159 Unmet need of IAU
\$ 491 AU's net countable income

HANDBOOK ENDS HERE

DRAFT

~~.142 When there is insufficient income based on the Ineligible Alien Parent computation in Section 44-133.52 to meet the entire needs of an Ineligible Alien Parent Unit and the Ineligible Alien Parent Unit contains ineligible alien children of the aided parent, the county shall:~~

- ~~(a) Determine the amount of unmet need resulting from insufficient Ineligible Alien Parent income by subtracting the amount of net nonexempt income from the difference between the MBSAC amount for the Ineligible Alien Parent Unit with the Assistance Unit, and the MBSAC amount for the Assistance Unit only. This unmet need shall be treated in accordance with the comparison required in Section 44-113.144(c)(1).~~

~~HANDBOOK BEGINS HERE~~

- ~~(1) Example: Determining Unmet Needs for Ineligible Alien Children:~~

~~Computation Factors~~

~~Ineligible Alien Parent Unit~~

~~Ineligible Alien Parent Unit consists of the ineligible alien parent and two ineligible alien children in common with the aided parent. The aided parent's AU includes the aided parent and one child who is the half-sibling of the two ineligible alien children. The ineligible alien parent works part time with net nonexempt income of \$300.~~

~~Computations~~

~~\$979 MBSAC for 5 persons (Ineligible Alien Parent Unit and the AU):~~
~~-583 MBSAC for 2 (AU):~~
~~\$396 MBSAC differential~~
~~-300 Net nonexempt income of the ineligible alien parent:~~
~~\$ 96 Amount of potential Unmet need to be compared to Section 44-113.141:~~

~~HANDBOOK ENDS HERE~~

- ~~.1432 (a) To determine the unmet needs of a child in the IAU, the county shall determine the extent to which that a parent's income meets the needs of his/her ineligible alien child(ren) through the application of the provisions in Section 44-113.1421 above. Where when there is an unaided parent of an ineligible alien child(ren) in the home who is all of the following:~~

DRAFT

- (1) ~~a~~A parent in common with the aided parent;
 - (2) ~~n~~Not an Ineligible Alien Parent as defined in Section 44-133.5; ~~and that parent is:~~
 - (3) ~~n~~Not a parent of ~~an~~ the aided child(ren); and
 - (4) ~~n~~Not married to the aided parent;
- (ab) In applying the ~~Ineligible Alien Parent~~ provisions pursuant to Section 44-113.1432(a) above, only the extent to which the unaided parent's income meets the needs of the ineligible alien child(ren) shall be considered; no income from this unaided parent shall be deemed to the AU.

HANDBOOK BEGINS HERE

- (c) Region 1 Nonexempt AU consists of mother and one child. Mother receives \$460 Survivor's Benefits. Also in the home is the unmarried father of an ineligible alien child in common with the aided mother. The unmarried father has \$800 net nonexempt income.

\$ 872 MBSAC for 4 (AU plus unmarried father and ineligible alien child)
- 592 MBSAC for 2 (AU only)
\$ 280 MBSAC differential
- 800 Unmarried father's income*
\$-520 (\$0) Unmet need

\$ 592 MBSAC for AU
- 460 AU's net countable income (Survivor's benefits \$460 - \$0 unmet need = \$460)
\$ 132 Potential Grant Amount to be compared to MAP

*Note: No income of the unmarried father shall be deemed to the AU.

HANDBOOK ENDS HERE

~~.144 The deduction for the ineligible alien child(ren) is allowed from the aided parent's income only when:~~

- (a) ~~The ineligible alien child(ren) is not included in a Stepparent or Ineligible Alien Parent Unit, or~~
- (b) ~~The Ineligible Alien Parent has no income; or~~

DRAFT

- (c) ~~The Stepparent or Ineligible Alien Parent has insufficient income to meet the needs of ineligible alien child(ren) he/she has in common with the aided parent.~~
- (1) ~~The deduction allowed from the aided parent's income shall be the lesser amount between that established in Section 44-113.141 and the amount determined in Section 44-113.142(a) concerning unmet needs of ineligible alien children.~~
- (d) ~~The ineligible child(ren)'s net nonexempt income is not sufficient to meet his/her needs.~~

HANDBOOK BEGINS HERE

- ~~-145 Determining the amount of the deduction from the aided parent's income for his/her ineligible alien children:~~

Computation Factors

- ~~—AFDC-AU consists of mother and one aided child.~~
- ~~—Ineligible Alien Parent Unit consists of Ineligible Alien Parent father and two ineligible alien children in common with the aided mother.~~
- ~~—Ineligible Alien Parent Unit has an unmet need of \$96 based upon the computation in Section 44-113.142(a).~~
- ~~—Aided mother has \$500 net nonexempt income.~~

Computation

- ~~\$858 MBSAC for the number of aided persons (mother and one aided child) plus the number of ineligible alien children in common with the Ineligible Alien Parent (two children) for a total of four persons:~~
- ~~— \$583 MBSAC for the number of aided persons only (mother and one aided child) for a total of two persons.~~
- ~~= \$275 Subtotal~~
- ~~— \$ 0 All combined income of the aided parent's child(ren) in the Ineligible Alien Parent Unit.~~
- ~~= \$275 Potential deduction from the aided parent's income. Compare to unmet needs in Section 44-113.142(a).~~

DRAFT

~~The deduction from the aided parent's income is the lesser amount between the unmet need of the Ineligible Alien Parent Unit (\$96) and the potential deduction from the aided parent's income (\$275). Thus, the deduction allowed from the aided parent's income would be \$96.~~

HANDBOOK ENDS HERE

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 10553, 10554, 10790, 10791 and 11008.19, Welfare and Institutions Code; 45 CFR 233.10; 45 CFR 233.20(a)(3)(ii)(C); 45 CFR 233.20(a)(3)(vi)(A); 45 CFR 233.20(a)(6)(v)(B); 45 CFR 233.20(a)(11); 45 CFR 233.20(a)(11)(D); 45 CFR 255.3; and Darces v. Woods (1984) 35 Cal. 3d 871.

DRAFT

Amend Sections 44-133.52 and 63 to read:

44-133 TREATMENT OF INCOME -- AFDC (Continued)

44-133

.5 Income in Cases Where an Ineligible Alien Parent(s) Resides in the Home (Continued)

.52 Computation of Income to the AU (Continued)

.523 Refer to Section 44-113.14~~2~~ for the determination of unmet needs of Ineligible Alien(s) ~~Children~~.

.6 Income in Cases Where a Stepparent or IRCA Parent Resides in the Home (Continued)

.63 Computation of Income to the Assistance Unit (AU) (Continued)

.633 Refer to Section 44-113.14 for the determination of unmet needs of Ineligible Alien(s). (Continued)

Authority Cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code.

Reference: Sections 10553, 10554, 10604, 11450, 11452, 11453, and 11486, Welfare and Institutions Code; 45 CFR 205.50(a)(1)(i)(A); 45 CFR 233.20(a)(1)(i); 45 CFR 233.20(a)(3)(ii)(C), (a)(3)(vi)(B), (a)(3)(xiv), (a)(3)(xiv)(B), and (xviii); 45 CFR 233.50(A)(c); and 45 CFR 233.90(c)(2)(i); Family Support Administration Action Transmittal 91-15 (FSA-AT-91-15), dated April 23, 1991; and Omnibus Budget Reconciliation Act (OBRA) of 1990; U.S. Department of Health and Human Services Federal Action Transmittal No. FSA-AT-91-4 dated February 25, 1991; Simpson v. Hegstrom, 873 F.2d 1294 (1989); and Federal Register, Vol. 58, No. 182, pages 49218 - 20, dated September 22, 1993 and 42 USC 602(a)(39).

DRAFT

Amends Sections 44-207.21 and .42 to read:

44-207 INCOME ELIGIBILITY (Continued)

44-207

.2 185 Percent Income Limit for Eligibility

.21 Description of 185 Percent Income Limit (Continued)

.211 (Continued)

(e) The gross income of an aided parent shall be adjusted to allow for the unmet needs of ineligible aliens living in the home pursuant to Section 44-113.14. (Continued)

.4 Treatment of Lump Sum Income (Continued)

.42 Lump Sum Income Computation

The following computation applies to lump sum income which was received but not reported to the county, and to reported lump sum income received in the budget month.

.421 Divide the total of the lump sum income, plus any other net nonexempt income received in the budget month by the total of the MBSAC plus any special needs. When an ineligible alien, child as specified in Section 44-113.14, with unmet needs lives in the home with an aided parent who receives a lump sum, the MBSAC shall be increased for each such child ineligible alien. (Continued)

Authority Cited: Sections 10553, 10554, 11450, and 11453, Welfare and Institutions Code.

Reference: Sections 10553, 10554, 11017, 11157, 11255, and 11280, Welfare and Institutions Code; 45 CFR 206.10(a)(1)(vii); 45 CFR 233.20(a)(2)(i) and (xiii); (a)(3)(ii)(F), (a)(3)(vi)(B), (a)(3)(xiv), and (a)(3)(xiv)(B); and Darces v. Woods (1984) 35 Cal. 3d 871; Petrin v. Carlson Court Order, Case No. 638381, May 12, 1993; Rutan v. McMahon, Case No. 612542-L (Alameda Superior Court) February 19, 1988; Letter from Department of Health and Human Services (DHSS), December 5, 1990; Johnson v. Carlson Stipulated Judgement; Federal Terms and Conditions for the California Assistance Payments Demonstration Project as approved by the United States Department of Health and Human Services on October 30, 1992; Federal

DRAFT

Terms and Conditions for the California Work Pays Demonstration Project as approved by the United States Department of Health and Human Services on March 9, 1994; United States Department of Health and Human Services, Office of Family Assistance, Aid to Families with Dependent Children Action Transmittal No. ACF-AT-95-10 dated September 19, 1995; and Letters from the Department of Health and Human Services, Administration for Children and Families, dated February 29, 1996, March 11, 1996, and March 12, 1996.

DRAFT

Amend Section 44-352.411 to read:

44-352 OVERPAYMENT RECOUPMENT (Continued)

44-352

.4 Methods of Recovery (Continued)

.41 Grant Adjustments (Continued)

.411 Step One

Determine the sum of the AU's total available income and liquid resources in the payment month by adding together the following:

- (a) Agency Error For overpayments caused by agency error, (Continued)
 - (2) The AU's gross earned income less: (Continued)
 - (iii) Any deduction necessary to meet the unmet needs of an ineligible alien ~~child~~ as specified in Section 44-113.14, plus
 - (3) Other net nonexempt income, less:
 - (i) Any deduction necessary to meet the unmet needs of an ineligible alien ~~child~~ as specified in Section 44-113.14, plus (Continued)
- (b) Other For all other overpayments, (Continued)
 - (2) The AU's gross earned income, (Continued)
 - (ii) Less any deduction necessary to meet the unmet needs of an ineligible alien ~~child~~ as specified in Section 44-113.14, plus
 - (3) Other net nonexempt income, less:
 - (i) Any deduction necessary to meet the unmet needs of an ineligible alien ~~child~~ as specified in Section 44-113.14, plus (Continued)

DRAFT